
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

Local Government Tax Control Board Meeting Minutes June 26, 2008

Call to Order: The monthly meeting of the Local Government Tax Control Board was held on Thursday, June 26, 2008. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Dave Christian, Dan Jones, Lisa Decker, Ken Giffin, John Stafford, Mike Bozyski, Chuck McLean (Administrative Officer), and Linette Pedigo (Administrative Secretary).

Minutes and Discussion: Mr. Christian began the meeting by calling for any changes or corrections to the May 22, 2008 minutes. Hearing none, Mr. Stafford motioned to approve the minutes. Mr. Bozyski seconded, and the minutes passed by a vote of 4-0. Ms. Decker and Mr. Giffin were absent for the vote.

Town of Speedway, Marion County; Lease Financing: The unit is requesting approval of a lease purchase financing in the amount of \$62,755,000 for a term of twenty-five (25) years for the purpose of constructing and maintaining the public ways. They are requesting tailored financing.

The unit is issuing bonds to pay for the purchase of right-of-ways, easements, and utility line relocation of 16th street, Georgetown Road, Crawfordsville Road, Main Street, and the area around the main entrance of the Indianapolis Motor Speedway. The project is designated uncontrolled as the payments for the project will come from a TIF, and not from property taxes.

Project Costs: \$62,755,000.00
Amount applied to debt: \$0
Annual Payment: \$6,063,000

Controlled or Uncontrolled: Uncontrolled

Tax Rate Impact:
2008 AV \$658,876,570
Levy Needed \$6,063,000
Est. Tax Rate .9202

Meeting and Publication Dates:
Resolution/Ordinance adopted 05/19/2008
Notice of Determination 05/23/2008

Auditor's Certificate of Remonstrance: 06/25/2008

Common Construction Wage: Missing

Present for the hearing: Linda Karn, Owner of the Speedway Navigator Newspaper; Susan Leubbert, President of Leubbert Ent Inc.; Jo Ellen Dotlich, Taxpayer and Homeowner; Dale Dotlich, Shareholder/Owner of Speedway Industrial Park; Debra Wilcox, Taxpayer/Homeowner/President of Wilcox Mgt. Corp.; Jack Norris, Homeowner/Taxpayer; Gary Raikes, President of Speedway Town Council; Mel Harder, IMS Sr. VP of Operations; Edward Frazier, Chair of Speedway Redevelopment Authority; Jim Gutting, Barnes & Thornburg; Michael Koyak, Structurepoint, Inc.; Tom Guevara, Crow Chizek/Financial Advisor; Herschel Frierson, Crow Chizek/Financial Advisor; Shane Burkhardt, Direction of Planning/American Structurepoint; William Jones, Speedway Redevelopment Commission; Chaz Okagbue, Summer Associate of Barnes & Thornburg; and Erin Dotlich, Speedway Resident.

Comments: Mr. William Jones began by giving an overview of the project. He said that Speedway is a landlocked community and therefore cannot annex any surrounding property; they must rely on redevelopment of existing land. The Speedway Redevelopment Commission (SRC) took an aggressive approach and focused on the area surrounding the Indianapolis Motor Speedway (IMS), and they worked with the Indianapolis-Marion County Metropolitan Planning Organization to look at traffic patterns around the IMS. The SRC, along with the Town of Speedway, engaged some of the biggest property owners in the area, the IMS, Praxair Surface Technologies, and Allison Transmissions, as to what their needs were for future investment and improvement of their businesses. He said the goal of the Commission was to create an atmosphere for development, to encourage reinvestment, and to take advantage of opportunities that had been previously lost because of a lack of motor sports-related businesses and a lacking entertainment district. Mr. Jones said the SRC created a TIF district, and spent over a year creating a master plan for the area. The IMS, Praxair, Allison, and Citizens Gas have all made commitments for significant investments in that area. The SRC continues to seek other sources of funding and grants.

Mr. Jones continued and said the goal of the Redevelopment Commission is the re-alignment of 16th Street, which would provide a safer traffic flow and an increase in the buffer zone between traffic and the IMS. The plan also provides for better flow to Main Street with a roundabout. He said their goal is to keep existing businesses in the Speedway area. He added that there has been no talk of abatements and that is because the potential investors realize the value of their investment and the grand plan that the SRC has set forth.

Mr. Shane Burkhardt took the floor next and said that one of the major goals the SRC looked at was to seize upon the synergies that existed within the community, such as the intrinsic link to the auto racing and motor sports industry. He said that Main Street, as it exists right now,

contains both industrial and retail spaces with about a 50% vacancy rate. They also have underutilized industrial land and commercial land in the area. The IMS is a world-class facility, but the town does not portray a world-class image. He said the community wants a better gateway into their community for visitors and themselves. Mr. Burkhardt said that they are looking at creating a new district, the Speed Zone, which would parallel Massachusetts Avenue or Broad Ripple. He said this new district would serve to benefit from the auto racing industry, but would be able to provide the amenities that the major stakeholders and employers in the town would be looking for.

Mr. Burkhardt then went in to more detail about the SRC's Master Plan. He said the IMS is landlocked, but will be making additional improvements and investments to the facility, such as a new hotel complex, additional meeting and conference facilities, and a potential new museum. To make this happen, Mr. Burkhardt said they are looking to improve the area around the IMS, including the re-alignment of 16th Street in order to make it more pedestrian-friendly. These road improvements would be complete street concepts; sidewalks and shared-use pathways for bicyclists and roller bladers. He said they also looked at improving transit stops and improving compatibility with future transit planning. Along Main Street, they are looking at creating a complete retail corridor, which is something they are currently lacking. He said that Allison Transmissions is looking to make massive improvements to their current structure, which would require the town to make improvements to 10th Street and Main Street to provide the kinds of amenities that their workers are looking for. Mr. Burkhardt added that they have underutilized commercial land on the east side of the corridor; they have tried to engage property owners for joint-development opportunities or other redevelopment opportunities. As this plan moves forward, he hopes that they will be able to benefit from this. Zip Speed Weaponry, a small company in Speedway, is looking to expand. To do this, they need to be provided new industrial space that the town currently does not have, so the ability to potentially expand in to areas that used to be Allison's land is definitely on the table. He said they looked at extending Gillman Avenue in order to provide better truck access, and connecting Holt Road, which currently ends at 10th Street, to 16th Street to provide better traffic flow for the northwest and southwest sides of Indianapolis.

Mr. Christian wanted to confirm that this project will be changing the structure of 16th Street. He asked if it currently goes straight across. Mr. Burkhardt said it does and it is five lanes of traffic with no median and no safe pedestrian access.

Mr. Gutting said that this is a multi-year step-by-step process that begins with acquisition and utility relocation. He said that when roadways get moved, that is when development takes place as it relates to the IMS. The IMS is on track for its 100 year anniversary, so they have their own incentives for this project. Overall, Mr. Gutting stated that there are many projects on the cusp of taking place.

Mr. Gutting then said that they have structured this lease to be payable from TIF revenues, with a property tax backup. This expectation of \$62 million is the high end. He said they are pursuing other sources of funding and grants that would all go towards reducing the amount they need for this project. Mr. Gutting went on to read part of the Master Lease Agreement and summarized that any cumulative amounts of the lease they have must meet their minimum coverage of 110%.

Each time they have a financing (and there may be 3, 4, or 5 to get this project completed) it will be backed up by a debt service reserve fund that will be one year's entire principal and interest on any bonds plus a capitalized interest dollar amount throughout the project to pay for principal and interest until such time as the project comes on and is usable. He said this is a master lease that is anticipating smaller leases along the way.

Mr. Christian asked if the \$62 million is for the multiple phases. Mr. Gutting said yes. Mr. Christian asked how many they anticipate and over how many years to get this project fully completed. Mr. Gutting said there will be four phases. Mr. Christian then asked about the IMS and their target date for their 100th anniversary. Mr. Gutting said that will be in 2011. Mr. Christian asked if that was also their target date. Mr. Gutting said they hope to have the re-alignment of 16th Street done by the end of 2009 or the first part of 2010.

Mr. Christian asked Mr. Gary Raikes, Speedway Town Council President, why he didn't sign the Resolution. Mr. Raikes said he was absent. Mr. Christian asked what his position is. Mr. Raikes said they are a five-member Board, and this project is unanimously supported by them.

Mr. Dan Jones asked next if the level of funding became jeopardized, if the relocation of Main Street and Gillman Road would become a lower priority than 16th Street. Mr. Williams Jones said that the realignment of 16th Street is the number one priority.

Mr. Stafford said he assumes that they will not be able to lay out all of their sources of TIF revenue today that would support the full retirement of the bonds, but he wondered about the clause that Mr. Gutting referenced that they will not incur debt that is not supported by 110% coverage. He asked if there would be any difficulty if the approval of this project were conditioned upon that clause, and that if the lease was amended they would have to come back to the Control Board for approval. Mr. Gutting said he personally does not have a problem with that.

Mr. Tom Guevara, of Crowe Chizek, took the floor next and stated that, in reference to a handout, there are several projects in which the firms involved, while the planning is very far along, still are not in a position to publicly reveal what their specific project will be, and so have requested that they not be identified. He said that with regards to HEA 1001, they have in their projections accounted for changes in the tax rates that would result in a lower amount of TIF revenue. He added that the tax rates they have projected forward would not create an issue with respect to the Circuit Breaker. Mr. Guevara went on to explain the coverage, which starts out on an aggregate basis the first year at 1.3 times. The coverage dips slightly in 2011 to 1.08, but the aggregate coverage goes to 1.24 times the estimated debt service. He said it increases steadily from there each year on an aggregate basis, other than 2011, but the coverage would be no less than 1.2 times on an annual basis. He said that on an aggregate basis, they never fall below 1.24 times, therefore meeting the requirements within the lease. Mr. Guevara added that they would probably reduce the bond size, though not the project size, by some cash contributions that exist already in the allocation fund or that they expect to be deposited in there within the next two years. He said this would total \$3.8 million and would reduce the amount of debt service, and their estimate is now \$58.6 million in bonds, as opposed to the \$62.77 million. He stated that

they already have 40% in hand with respect to Allison and Praxair, and the remaining will come as the other projects are built out.

Mr. Stafford asked if the IMS is a taxpayer in the town, and Mr. Guevara said they are a taxpayer, but they are not included in the redevelopment area. Mr. Stafford asked what percentage of the town's AV the IMS is, and Mr. Guevara said he does not know if they are the largest taxpayer, but he will have to provide that information at a later date. Mr. Stafford commented that he wanted to know this because if the TIF revenues fail, this burden will fall on the taxpayers, so he wanted to know how much the IMS will have to pay. Mr. Guevara said that if there was a shortfall and with respect to HEA 1001 and Allison and Praxair, they would have the option of a special assessment within the redevelopment area, an option of taking an additional increment from the base, or a special benefits tax levy, which would essentially be the property tax backup which would fall on the taxpayers. He summarized that the burden would not immediately fall to the taxpayers; there are other options available prior to levying a tax to the town. Mr. Gutting added that they also have the Debt Service Reserve Fund there for a one-year buffer of cash on hand to cover any initial shortfalls.

Mr. Christian then asked if the DLGF has received all of the proper documentation, and Mr. McLean said they have. Mr. Jones said there was an objection filed with the Marion County Auditor's Office, but it was found to be insufficient because many of the signatures were not found to be registered voters or property owners.

Mr. Stafford said it would be very helpful to have a map of the entire allocation area.

Mr. Christian asked if there is a reason the IMS track was not included in the TIF district. Mr. Gutting said the reason was to protect the town's base and tax rate and to provide for growth. He said there is a lot of vacant land and parking lots to the west and the north, but they are not in the TIF allocation area.

Mr. Jones asked what the composition of the tax base is in the TIF. Mr. Guevara said it is almost exclusively industrial and commercial; there might be a scattered apartment or two. Mr. Jones asked if, in case of a shortfall, they could impose a special benefits tax on just the TIF allocation area. Mr. Guevara said they would have to sort through it because it is contingent in HEA 1001 upon the shortfall being attributable to changes made in HEA 1001; he said it would have to be more like a special assessment under certain conditions.

Mr. Jones asked if they have done a Circuit Breaker analysis. Mr. Guevara said not per se, but the rate they have come up with is a gross rate. He said the rate now is at \$1.91, but given the credits that are currently given for AV deductions, he believes there would not be a substantial impact caused by the Circuit Breaker.

Mr. Bozyski asked if they have an estimate of the total project cost for the first phase of the project. Mr. Guevara said that by the first year, they have about \$18 million. The substantial bulk of the project costs will be \$24.5 million in 2009 and an additional \$5 million in 2010.

Mr. Christian then opened up the floor to public comments.

Mr. Mel Harder, from the IMS, took the floor and talked about its history. He said they are excited about the town's plans. They have worked closely with the town and the SRC and they have done a good job soliciting public input. He said the redevelopment is vital to the community and they are in support of it.

Mr. Edward Frazier, Chair of the Redevelopment Authority, spoke next and urged the Board's support of this project.

Ms. Debra Wilcox took the floor next and said that she and her husband believe no necessity exists for the execution of this lease. According to the Master Plan, they will decrease the land available for development by 10%; they will redo the roads and advertise so that new high-end businesses will come. She said this land is already available for these tenants with adequate road service. She stressed that land available for businesses will be reduced as existing businesses are turned into parking lots. She also stressed that the road access to this area will also be reduced, making it harder for tenants to gain access to the land. They have no plan for acquiring new businesses to the area, no contracts with anchor businesses have been created, and no actual study has been made for the land's potential under-redevelopment. Ms. Wilcox said there has been no economic impact study done, nor an environmental study to her knowledge. She said this plan is irresponsible. She wants to know about the other contracts with businesses other than Allison and Praxair because they are already there.

Ms. Jo Ellen Dotlich stated next that she feels there are too many unanswered questions regarding this lease agreement. When the public meeting was held, there was no financial plan available for the town to see and base a decision on. The SRC has not given the other names of businesses that they have contracts with or hope to have contracts with. She asked where this revenue will come from because the SRC has approved the most expensive way to move 16th Street by tearing down existing buildings in an industrial area. She said if they would move the road north, there would be no need to buy out existing businesses. Ms. Dotlich said she would like it on record that she opposes this project because the payments are not fair and reasonable and not warranted to the redevelopment of Speedway, Indiana.

Ms. Erin Dotlich took the floor and stated she has only two questions: how would you evaluate the lease rental agreement with Councilman Jeff Hartman owning property at 1346 Main Street and voting for the agreement, and how would you evaluate the project with Commissioner Ron Fisher voting for the acquisition list and the lease rental Resolution with 1201 and 1255 Main Streets' tax card going to the address of 8500 Georgetown Road, where his brother is President of American Environmental? She said these facts make it hard to believe that this lease agreement is for the best interest of the town.

Mr. Jack Norris spoke next about the project. He said that he is enthusiastic about the project, but he is also concerned about being able to afford it. He said there are two phases to the project; the first phase is what is being talked about today, but the other phase deals with High School Road and has not been talked about today. He understands the total AV of Speedway is \$800 million, possibly even \$900 million with inflation, and the total cost of the first phase of the project is \$62 million. Mr. Norris said he has come to the conclusion that even with the Circuit Breaker,

taxes will not go down because there are just too many mouths to feed right now. He then mentioned that the town will have to come before someone again in the near future to get approval for bonds for a new sewer system. Mr. Norris summarized that with Phase 1 (\$62 million), Phase 2 (unknown amount of money), and a new sewer system (unknown as well), they will be in trouble. He said with the economy the way it is, this project needs to be delayed; \$62 million for the Town of Speedway is about \$5000 a person. He proposed doing the sewer project and getting that taken care of, and then taking on the redevelopment project.

Ms. Susan Leubbert, a resident and business owner in the town, took the floor next and stated that she was told by the SRC at the presentation of their Master Plan that her property would not be affected by this redevelopment. In April, she was told by Scott Harris that her property was placed on an allocation list. She said this is all the communication she has had with the SRC, and she is not the only small business owner in this situation. She stated that she would like them to slow down the process and have more contracts in hand. She is very much in favor of the redevelopment as the area needs it badly, but the communication from the SRC needs to be opened up. Many of the small businesses said that they would like to redevelop their own properties, but it was indicated that that was not an option.

Mr. Tom Guevara then found the information asked for earlier (the % of the entire town's AV that IMS accounts for). He said the IMS's real property for pay 2007 was \$95.5 million, and as a percentage of the town's entire AV, it is about 12.2%.

Mr. Christian said the people who spoke against the project brought up some very good concerns. With regards to projects 1-10, he said he understands not naming companies and developers until everything is secured, but he asked how far along they are with them. Mr. Guevara said the businesses are pretty much existing and would be expanding; there is an implicit contract stating they won't issue bonds unless the business is already there that results in tax increment and increased assessed valuation. Mr. Guevara said he doesn't know exactly how far along the different businesses are, but they are in different phases. Mr. Christian asked if they are far along enough that it is valid to put them in the illustration as part of this proposal. Mr. Guevara said yes. Mr. Gutting agreed and said they have done environmental surveys and they are negotiating real estate purchases with two or three of them. If they had this financing approved today, there would be movement by at least two of the businesses tomorrow. Mr. Christian wanted to confirm that he is referring to two of the projects 1-10, and Mr. Gutting said that was correct. He added that Citizens Gas has already petitioned for permission to build their facility in Speedway.

Mr. Christian then wanted to clarify that they have performed environmental and economic studies, and Mr. Gutting said they have. He said they have a master developer engaged to work with making the right decisions, and they have received a \$250,000 grant from the EPA to do environmental studies. Mr. Burkhardt added that the SRC also commissioned two separate economic analyses in terms of market studies.

Mr. Christian wanted to clarify next the number of phases involved with the project and the corresponding costs. Mr. Gutting said there are two allocation areas; there is a Redevelopment Area One, which is this project at hand. There is a Redevelopment Area Two which is out at I-

465 and Crawfordsville Road. He said this is currently being redesigned and restructured. This project at hand (Redevelopment Area One) is for \$62 million by itself.

Mr. Christian wanted next some clarification on the comments made about people losing their jobs and the new sewer system. Mr. Gutting said with the Speedway Industrial Complex, there is the potential for infringing on a building and setbacks with the re-alignment of 16th Street. He said they will go through the process of working with the owners, but he added that the owners are not in agreement over the approach. He said some are in favor of redevelopment and some are not. With the sewer project, Mr. Gutting said that it is a long-term control plan for the town, and part of the Main Street project addresses part of the sewer project. Mr. Mike Koyak, Engineering Director with American Structurepoint, confirmed that they are looking at combining part of the sewer problem as part of the Main Street project; this is just one segment of the overall, long-term management plan for the entire town. Mr. Christian wanted to confirm that this part of the sewer project (the part that is in the redevelopment area) is then a part of the \$62 million, and Mr. Koyak said that was correct. He said there has not yet been a complete analysis done, but the town has hired a consulting firm to examine their town-wide sanitary system. They have put in a budget item anticipating that there will be some outcome from the study that will be applicable to the Main Street project.

Mr. Norris took the floor again and said the town does not know the total number for redoing the entire sewer system, but they have been studying this for about five years now. He said they need to fix the sewer problem now.

Mr. Jones asked if their transportation study has been coordinated with Indianapolis and their transportation department. Mr. Burkhardt said yes, and that the main thoroughfares are under control of Indianapolis, so they must seek DPW approval, and that has been ongoing since they have been doing the design work. Mr. Jones asked next about the abatements for Allison and Praxair. Mr. Guevara said these abatements are granted by the Metropolitan Development Commission (MDC) of Indianapolis. Mr. Jones asked if Speedway has any control over those, and Mr. Guevara said they do now, but they did not prior. Mr. Jones wanted to clarify then that Speedway now controls their own abatements, and Mr. Gutting said yes. He added that they did approve an abatement for Praxair because of the competitive environment. Mr. Jones stated that he does not want to approve a TIF here and then have Indianapolis abate it.

Mr. Stafford then asked how they would interpret what the SRC could do under the terms of the lease. Mr. Gutting said they would be limited to issuing any bonds for additional improvements under the lease program if they do not have the 110% coverage based upon the CPA's projections at the time they consider an additional lease. Mr. Stafford wanted to clarify then that if, for instance, project 4 did not materialize, then under their own terms of the lease, they would have less than \$62 million in funds available. Mr. Gutting said that was correct, so they would have to seek other financing. Mr. Guevara said they would then take that and divide it by 1.1; that would represent the maximum amount available for debt service, and then whatever bonds are within the constraints of the lease would be what they could issue.

Motion: Mr. Jones motioned to recommend approval of the tax increment financing of bonds not to exceed \$62,755,000 with the provision that this be conditioned upon any change in

Section 2 of the lease which would require them to come back through the process for additional debt. Ms. Decker seconded and the motion carried by a vote of 5-0. Mr. Giffin was absent for the vote.

Van Buren Township, Monroe County; Fire Loan: The unit wishes to purchase a new fire vehicle and a considerable amount of equipment to replace existing stock that is over 20 years old.

Project Cost: \$665,800
Applied to debt: 0
Payment: \$124,937.00

Tax Rate Impact:
2008 AV (est.) \$450,211,272
Levy Needed \$119,837
Est. Tax Rate .0266

Meeting and Publication Dates:
Date of publication for a public hearing 04/09/2008
Date of public hearing 04/21/2008
Resolution/Ordinance adopted 04/21/2008
Notice of Determination 04/23/2008

Auditor's Certificate of No Remonstrance: 06/04/2008

Present for the hearing: Gary Bruce, Trustee; Rita Barrow, Administrative; Tim Deckard, Fire Chief; Russel Clark, Deputy Chief; and Robert G. LaGarde, Deputy Trustee.

Comments: Mr. Gary Bruce began by stating that they have tried to refurbish a truck before; a 1978 model they refurbished in 1995. He said that just doesn't work for them because a few years later that truck could not even be used as a first-line vehicle; it became the second truck out. He made a policy then that at 20 years they would replace equipment, and that is why they are here today; they have a 20-year-old truck that they want to replace.

Mr. Christian asked about the Resolution that occurred on April 21 and why there was one "nay" vote by Kenny. Mr. Christian asked who Kenny is and why he voted no. Mr. Bruce said he is one of the Board members that works for another fire department currently but was a past employee of their department. He said that Kenny never really wants to go along with things the rest of the Board wants to.

Mr. Stafford asked if they have any existing debt, and Mr. Bruce said no. Mr. Stafford then asked Mr. Jones if they are limited to six years because of their size, and Mr. Jones said yes. Mr. Stafford asked what they use their Cumulative Fire Fund for. Mr. Bruce said they only get about \$80,000 a year and they use it for their buildings and to replace fire equipment. Mr. Stafford asked why they are not using some of that fund for this equipment instead of borrowing. Mr. Russel Clark stated that with the fire truck they are replacing, they are adding a fire hose and

making this truck a front-line vehicle that goes to the Monroe County Airport. Mr. Stafford asked again why they are not using their Cum Fund for this, and Mr. Bruce said there is not enough money; it would take two to three years to equip the vehicle because the equipment alone is about \$162,000. Overall, Mr. Bruce said they could not equip the truck the day they got it. Mr. Stafford said they could do a portion of it, and Mr. Bruce agreed. He added that right now they are building a building across the street for more storage, and that is one thing they are using their Cum Fund for. Mr. Stafford asked if they have a long-term plan for their debt and their Cum Fund. Mr. Bruce said they will be paying off this vehicle in six years, and then they will need to replace another 20-year-old vehicle in six years. He said if they stick with their 20-year replacement plan, then once they pay this vehicle off, they will be back again for another loan. He said they could use some of their Cum Fund for equipment if that's what it comes down to. Mr. Clark added that they will also be replacing their firefighting gear; they have a staff of 40 people and that alone will eat up a lot of their Cum Fund. Mr. Christian then asked if the \$53,000 in their Cum Fund is earmarked for anything. Mr. Clark said it is for replacement of gear and things like radios that they haven't purchased yet. He said gear is their biggest thing because it costs the most, and when they replace it they try and replace it all at the same time instead of doing it in stages. Mr. Christian wanted to clarify then that they have already budgeted for that \$53,000, and Mr. Clark said yes.

Mr. Christian said they have equipment listed at \$186,000; he asked if some of that is the same. Mr. Clark said no.

Mr. Christian then asked if they are asking for \$665,000 even or \$665,800. Mr. Clark said \$665,848. Mr. Bruce said the Resolution says \$665,800, and Mr. Christian said the advertised amount was \$665,800.

Mr. Bozyski wanted to confirm that all of this equipment is related to the new truck, and Mr. Clark said yes. Mr. Bozyski then asked if they are going to use any of their old equipment, and Mr. Clark said no. He said the truck they are replacing does not have a five inch fire hose so they have to get a new supply line. Mr. Bruce asked how much of that is specialized for the airport, and Mr. Clark said a small amount.

Motion: Mr. Stafford motioned to recommend approval of a fire loan in an amount not to exceed \$665,800 for a term not to exceed six years. Mr. Bozyski seconded and the motion carried by a vote of 5-0. Mr. Giffin was absent for the vote.

Turkey Creek Township Fire Territory, Kosciusko County; Max Levy: This unit was created by an inter-local agreement between Turkey Creek Township and the Civil Town of Syracuse, both in Kosciusko County. Turkey Creek Township requests approval to levy property taxes beginning with taxes payable in 2009 for the Fire Territory Operating Fund and Equipment Replacement Fund of the Turkey Creek Fire Protection Territory.

Present for the hearing: Paige Gregory, Umbaugh; Julie Kline, Clerk Treasurer for Town of Syracuse; Brian Woody, Councilman for Town of Syracuse; Mickey Scott, Turkey Creek Township Fire Chief; Marc Henn, Turkey Creek Taxpayer; Arlen Bobeck, Turkey Creek

Advisory Board; Cassie Cowan, Syracuse Town Council Member; Henry DeJuliet, Town Manager of Syracuse; and Anthony L. Piriello, Town of Syracuse.

Comments: Ms. Paige Gregory began and stated that the Turkey Creek Fire Department provides services to Turkey Creek Township, including the Town of Syracuse, as well as mutual aid to Nappanee in Elkhart County, Benton Township in Elkhart County, and Sparta Township in Noble County. She added that they also provide emergency medical services to Benton Township and Clinton Township, both in Elkhart County. Major thoroughfares within the department's coverage area include SR 13, US 6, and SR 33. They also provide services to businesses, structures, and other features that could pose challenges, such as businesses that store chemicals, three schools and Indiana's largest natural lake, Lake Wawasee. Ms. Gregory continued and said that Syracuse and Turkey Creek Township established a fire protection territory in February of 2008, and Turkey Creek Township has been designated as the provider unit. The fire territory was established to provide an alternative revenue source to fund fire services, spread the cost of fire services over a larger tax base and equally tax all taxpayers within the territory, improve the quality of fire services and provide resources to allow the department to meet NFPA and OSHA standards, and to reduce response times.

Ms. Gregory stated next that they are proposing to add five personnel, which is a 45.1% increase in cost. She then talked about the estimated tax rate for the territory, which includes the Operating Fund and the Equipment Replacement Fund. By statute, the territory is allowed to levy 3.33 cents to accumulate money related to capital purchases for fire services. She said they are estimating a budget of \$1.5 million, and to fund this they want to levy \$1.3 million at an estimated rate of 7.65 cents. For the equipment replacement fund, they want to have the maximum rate of 3.33 cents, which would give a levy of about \$584,000. The total rate that they are estimating for this fire territory is about 11 cents.

Ms. Gregory continued and spoke next about the current costs of fire services, which are based on estimated tax rates as they do not have their certified 2008 budget yet. Turkey Creek Township's rate is 1.67 cents and Syracuse has a rate of 8 cents. Based on a home value of \$114,800, which is the median home value for the area, Turkey Creek Township taxpayers pay about \$7 and Syracuse taxpayers pay about \$36. For the proposed costs of fire service, Ms. Gregory said that everyone will pay 11 cents, and the liability will therefore increase to \$50 for both Turkey Creek Township and the Town of Syracuse. This equates to a 12.1% increase in the district tax rate for Turkey Creek Township and a 7.3% increase for Syracuse.

Ms. Gregory then talked about the yearly increases, since 2007, of the total fire operating disbursements, the total certified/estimated property tax rate, and the total property tax levy. She then talked about the circuit breaker impact on Turkey Creek Township both with and without the fire territory in 2010; the impact for both was \$0.

Ms. Gregory continued and summarized that they are requesting an initial maximum levy of \$1,340,779 for the Operating Fund to begin in 2009. They are planning to adopt the maximum rate for their Equipment Replacement Fund of 3.33 cents as was stated in their establishing Resolution.

Mr. Christian then asked what the residents of Turkey Creek generally feel about this proposal. Ms. Gregory said they generally support it, though a couple taxpayers have objections to the impact on the taxpayer and dispatch locations. Mr. Christian asked what they are gaining by combining these units. Ms. Gregory said they are gaining the ability to levy additional property taxes for additional services. Instead of having to borrow every year and accrue interest costs, they will have their own max levy to meet their needs. She added this will also spread the tax rate equally to all the taxpayers.

Mr. Jones asked what the population is of Turkey Creek Township. Ms. Gregory said approximately 9,000, which includes the Town of Syracuse. Ms. Decker asked if that number represents permanent residents, and Mr. Mickey Scott, Fire Chief, said that number doubles in the summertime, especially around the Fourth of July.

Mr. Christian wanted to confirm that the average home price is \$114,000, and Ms. Gregory said yes, but the properties around the lake skew things. Mr. Christian asked if that is figured into this number, and Ms. Gregory said it must be because she got the number from Stats Indiana. Mr. Christian commented that the taxes for the people around the lake will increase quite a bit. Ms. Gregory said that would depend on the home's value, but it could be looked at the way the district rate is going up; potentially 7-12%.

Mr. Stafford asked what the current arrangement is for fire protection. Ms. Gregory said it is pretty much the same arrangement as it will be with the territory. Currently, Turkey Creek provides service to Syracuse. Mr. Stafford asked if they have an annual contract for fire service, and Ms. Gregory said yes.

Mr. Christian asked if the public will be getting anything more from having this fire territory. Ms. Gregory said there will be no additional fire stations and they have no immediate plans to go full-time; they are mainly volunteer. She did say that they will be hiring a few more staff people though and they will be able to buy some equipment using their Equipment Replacement Fund. Mr. Christian wanted to clarify then that taxpayers will not be getting anything more for their buck; the fire department and the governing bodies just make more money. Mr. Scott said they have two stations, a north and a south station, and it takes eight minutes to get from the north station to the south station. He said there is no bridge across Lake Wawasee, so they have to travel around it. Right now he said he cannot staff their south station. He added that there are also railroad tracks, and the entire lake is south of the tracks. The only station he has manned right now for 24 hours a day lies north of the tracks, so all of Lake Wawasee could be cut off from fire service very easily. Mr. Christian wanted to confirm that they do have a south station that is not manned. Mr. Scott said they man it on weekdays only. Mr. Christian said that in essence, having more money would mean faster response times. Mr. Scott agreed because they need people for their south station. Mr. Christian wanted to confirm then that by going forward with this territory, they will man the south station 24 hours a day. Mr. Scott said there will be two men at each station.

Mr. Giffin asked if there will be any insurance fire protection relief from the ISO. Mr. Scott said potentially there could be. Mr. Christian asked if their rating could be improved. Mr. Scott said yes, and that it is currently a 9.

Mr. Bozyski asked next about their cost data for personnel services. He said that from 2008 to 2009 the cost goes up \$600,000. He said he realizes that \$223,000 is for the salaries of five new people, but he asked what the other \$375,000 is for. Ms. Gregory said it consists primarily of fringe benefits and health insurance. She said the health insurance alone is \$265,923. Mr. Bozyski asked if any of that \$265,923 is 2008's number, or if it is all an increase. Ms. Gregory said some of it could have been in there, but they are anticipating a large increase. Mr. Bozyski asked what the total personnel cost is, and Ms. Gregory said \$1.3 million. Mr. Bozyski asked what the total number of employees will be, and Mr. Scott said 13. In response to Mr. Bozyski's earlier question about the large increase in personnel costs, Ms. Gregory added that this is due to a combination of things; the volunteer fallout pay may increase, training allowance, EMS fallout pay, fuel allowance, etc. She said she does not have an itemized list, but she can provide it to the Board. Mr. Christian said they would like to see it.

Mr. Marc Henn, a Turkey Creek Township resident and taxpayer that lives on Lake Wawasee, took the floor next and talked about his opposition to the territory. He said he has been studying this issue for months, and today is the first time he has heard of an 11 cent tax rate. He said his current tax bill for fire service is \$272, but this will make his tax bill for fire protection alone \$1760 annually; this is his first concern. His second concern is that the county and the township currently operate a local dispatch that costs taxpayers \$250,000 annually. He said this money could be better utilized for personnel or equipment. His third concern is that the Legislators just passed the new tax laws to decrease and cap property taxes, and this is doing just the opposite. He added that with the current economic situation the way it is, the last thing that should be done is to raise taxes because people are financially strapped. Mr. Henn then spoke of the Southwest Central Fire Protection Territory, a unit which also came before this Control Board to set their maximum levy. Their max levy was set at \$2 million and they service 28,000 people and five schools. Turkey Creek is requesting \$1.3 million for a population of 8924 and three schools. He asked why their fire protection is so expensive. He said he is not against fire protection; he wants fire protection but not for this amount of money. Mr. Henn then stated why he is here today; after repeated attempts to learn the budget the fire territory was asking for, his local officials told him that they did not know. He then asked those constructing this budget and they told him to contact his local officials. He said this information should not be a secret.

Mr. Stafford said there are two issues here; the total cost to provide adequate fire protection and equity. He said that everyone is getting roughly the same service, but they are all paying different amounts. Mr. Stafford asked Mr. Henn if he believed this was fair. Mr. Henn said he doesn't want to get into a debate about property taxes, but he did say that given the home values on the lake, they are still paying more than the townspeople per home.

Mr. Jones asked if the town is on the lake. Mr. Henn said there are two lakes, and one is Syracuse Lake, which part of the town is on; the other lake is Lake Wawasee. Mr. Jones asked how many properties are on Lake Wawasee. Mr. Henn said at least 900 homes.

Ms. Decker then asked Mr. Henn what his property taxes have looked like in the past five years. Mr. Henn said his taxes started at around \$2000, and with the reassessment to market value they jumped to \$8000. Mr. Jones asked if that was the average for other homes on the lake, and Mr.

Henn said he assumed that was the average for million dollar properties. He urged, though, that with most of the homes on Lake Wawasee, the land is worth a lot more than the home on the land.

In response to Mr. Henn's comments, Ms. Gregory took the floor and stated that on December 11, 2007 Umbaugh prepared a financial analysis for the proposed fire territory that was presented at an advertised public meeting between the Town of Syracuse and Turkey Creek Township. She said that she was there and gave a presentation that showed three different options of the budget. Option three was a \$1.5 million operating budget with an 11 cent tax rate. She said there have been a few changes in the budget from then to now, but it is pretty close to what was presented. She added that they also had an adoption meeting that occurred in February. Ms. Gregory then stated that she has spoken with Mr. Henn multiple times and has given him ample information. She said they have not been able to pinpoint an exact rate, just a range, because they didn't know which budget option the township wanted to go with.

Mr. Christian asked if they have considered combining the local dispatch. Mr. Scott said the county has a dispatch located in Warsaw. He said they have a secondary dispatch that does not have 911 equipment because the county wouldn't fund it. He also said that the county does not have a backup within the county; Marshall County is the backup. His worry is that if something happened, like a natural disaster, Marshall County may be so busy with their first responders that they wouldn't have time for them. Mr. Stafford asked if they are the backup for the center in Warsaw. Mr. Scott said no; they run their own. Mr. Stafford said he finds their argument quite weak because they need to get together with the County. Mr. Scott said their center receives calls from three other centers outside of Kosciusko County. Mr. Christian then commented that he appreciates Mr. Scott's comments about a backup in case of an unexpected disaster, but there are counties out there with a single dispatch center that works just fine.

Mr. Jones stated next that they have their insurance listed at \$265,923 for a staff of 18, which equates to about \$14,780 each. He said that is incredibly high. Mr. Scott said that right now they pay \$6200 and they figured this proposed amount based on that. He said that they cannot hire a person based on the number of family members they have. Mr. Jones said this amount is high even for a family plan. Mr. Scott said that right now not everyone has a family plan, but in all reality the actual amount will probably be less. He said he will not know until he hires a person; he cannot predict it. Mr. Jones said even if they are going to pay 100% of health coverage, the average family plan is still just \$12,000. Ms. Cassie Cowan, Syracuse Town Council Member, commented that she owns a small business with about the same number of people, and their insurance costs, for the employee and their spouse only, is \$1200 per person per month. She said the price depends on the number of people in a group, and they are a small group. Mr. Jones asked if they have the ability to buy off the state plan in order to get the state rates. Ms. Gregory said she was not sure. Mr. Jones said typically the employer doesn't even pay 100% of the plan; the employee picks up part of the cost. Mr. Jones said this is high even for the employer paying 100% of the cost. Mr. Bozyski asked if the employee is going to pay for any of the costs or if it is all employer-provided. Mr. Scott said it is all employer-provided.

Mr. Stafford then stated that they proposed \$500,000 in their Equipment Replacement Fund. He asked how much of this is a one-time expense. Ms. Gregory said the territory would be willing to

decrease that amount after the first year. She added that they do have an equipment replacement schedule.

Mr. Stafford asked next how much of this proposed budget is for dispatch. Mr. Scott answered \$250,000. Mr. Stafford said he is inclined to have them pull it out, and Mr. Scott said that would be okay. Mr. Stafford asked what will happen if they do take out the \$250,000 for the local dispatch. Mr. Scott said the county dispatch is financially strapped, so he is sure that the territory would have to incur the cost to make that change. Mr. Christian asked what will happen to the tax rate if the dispatch fee is taken out. Ms. Gregory said the rate would go down to roughly 9 cents.

Mr. Stafford recommended taking out \$200,000 for the dispatch because he believes they still need some money to make the transition. Mr. Jones said he is going to take out \$50,000 for insurance for an overall adjustment to their proposed budget of \$250,000. The new budget amount will be rounded to \$1,090,000

Motion: Mr. Jones motioned to recommend a maximum levy based on a \$1,090,000 operating budget and their requested Fire Equipment Fund. Mr. Stafford seconded the motion and it carried by a vote of 5-0-1. Ms. Decker abstained from the vote.

Plainfield Fire Protection Territory, Hendricks County; Max Levy: The unit was created by an inter-local agreement between Guilford Township and the Civil Town of Plainfield, both in Hendricks County. The Town of Plainfield requests approval to levy property taxes beginning with taxes payable in 2009 for the Fire Territory Operating Fund and the Equipment Replacement Fund of the Plainfield Fire Protection Territory.

Present for the hearing: Byron Anderson, Fire Chief; Brian Russell, Assistant Chief; Robin Brandgard, Town Council President; Charles Ellis, Township Board; Rich Carlucci, Town Manager; Paige Gregory, Umbaugh; and Wes Bennett, Clerk-Treasurer.

Comments: Ms. Paige Gregory began and stated that the Town of Plainfield will be the provider unit for this newly formed fire territory in Hendricks County. Plainfield provides fire services to all of Guilford Township and the Plainfield incorporated areas of Liberty and Washington Township, which is 40 square miles and approximately 40,000 people. She added that they also service some heavily populated areas outside of the incorporated areas, as well as some major thoroughfares like US40, SR267, and I-70. The fire department also services some State criminal institutions free of charge; they receive no funding for this.

Ms. Gregory continued and said that Plainfield and Guildford Township established their fire protection territory in February 2008. The territory was established to improve response times and to meet the NFPA and the OSHA standards. She said they will be adding 22 additional personnel, which is a 40% increase in the budget and a 37% increase in personnel. They calculated the tax rate based on a \$7.1 million operating budget and an estimated levy of \$4,752,937, and came up with an estimated tax rate of 25.62 cents for the Operating Fund. She said the territory has also established an Equipment Replacement Fund at the maximum rate of

3.33 cents for an estimated levy of \$617,776. Ms. Gregory then said the current tax rate for services in Guilford Township is about 10 cents, and about 14 cents in Plainfield. Based on a \$135,000 residential property value (the median value in the area), homeowners currently are paying \$67 in Guilford Township and \$94 in the Town of Plainfield. With the proposed fire territory, the estimated liability for everyone in the territory, again based on a \$135,000 home, would be \$165. She said this equates to an increase in the tax rate of about 14% for Guilford Township and about 10.5% for the Town of Plainfield.

Ms. Gregory then talked about some historical and estimated data for fire services. Within the past three years, the budget has increased from about \$4.5 million to \$5.2 million, but the tax rate went down in 2006 and 2007 because their assessed value has been growing rapidly. She said they are looking at a rate, after the fire territory is put on, of 84 cents for the Town. The current town rate is about 80 cents, so this is about a 6% increase to the overall rate. Ms. Gregory stated that there is an estimated circuit breaker impact for this. Without the fire territory, it is likely that the Town of Plainfield will suffer a shortfall of about \$430,000. With the fire territory the impact will be about \$677,000. She said the shortfall would be spread to any of the town's funds that have a tax rate, including the fire territory and the Equipment Replacement Fund.

Ms. Gregory summarized that what they are asking for to fund their \$7.1 million budget is a levy of \$4,752,937 and the maximum rate on their equipment replacement fund of 3.33 cents.

Mr. Christian asked how many additional people they want to hire. Ms. Gregory said 22; they currently have 60 staff but want to go to 82. Mr. Christian said they have \$700,000 listed for health insurance; he asked if that is for all 82 people. Ms. Gregory said yes. Mr. Bozyski commented that that is more in line with what should be expected. Mr. Christian said that its \$8500 per person.

Mr. Jones asked if they have a combined dispatch. Ms. Gregory said they have a countywide dispatch. Mr. Christian said they have a single dispatch then; he asked how that works. Mr. Byron Anderson, Fire Chief, said it works just fine.

Mr. Bozyski then asked what the "Contractual Services" line item of \$130,000 is for. Mr. Anderson said that would be for things like building inspections to equipment to HVAC services. Mr. Rich Carlucci, Town Manager, said they have a contract with a company to provide their paramedics and ambulances, and part of that money comes out of that fund. Mr. Bozyski asked how much that contract is for, and Mr. Anderson said he believes it to be around \$445,000 a year. Mr. Carlucci said they have had problems recruiting and obtaining paramedics, so instead they hire paramedics on a contract basis. He said their goal is to go back and have paramedics fully operate as employees if that is possible. Mr. Christian asked what the \$445,000 buys them. Mr. Anderson said it bought them two paramedics everyday. Mr. Christian asked if it would be cheaper to hire them, and Mr. Anderson said yes, if they could find them.

Mr. Stafford stated that unlike most fire territories, where generally there is a huge difference in the tax rate between the different areas of the district, this territory is not terribly out of balance. He said there is some difference, but not a lot. This is essentially a manner in which the Town can get some additional revenue to pay for fire and EMS services without borrowing. Ms.

Gregory said that is correct. Mr. Stafford then said that there are some equity questions here, but the dominant question here is the revenues to provide fire protection. Ms. Gregory said that currently, fire protection is being funded out of the town's General Fund and it is slowly eating up their maximum levy. They have to fund fire services, but as the cost to do so increases, more of the maximum levy will be pulled away from the town's other services. She said she agrees that this is a funding source in order to get their fire services up to speed. Mr. Stafford then commented that one of the Board's main issues is how to find revenues to adequately fund fire protection in rapidly growing areas. He said the General Assembly had addressed that to some degree when they changed the language on the fire loans. He said that is really the issue here; they estimated their AV growth at 3%, which is conservative. He asked what the growth really is in this fire territory. Ms. Gregory said their three-year average is about 9%. She added that abatements are also starting to roll off which causes the AV to increase and the tax rate to go down. She summarized that right now they are experiencing some nice growth in their AV.

Mr. Jones then asked if they have had a lot of opposition to the tax increase of 10-14%. Mr. Carlucci said no; they advertised the issue a lot and made sure it was well covered.

Motion: Mr. Giffin motioned to recommend approval of the unit's maximum levy as submitted. Mr. Stafford seconded the motion, which carried by a vote of 6-0.

Cedar Creek Township, Lake County; Emergency Fire Loan: The unit asserts that their fire-fighting fund is not able to levy enough to run their three fire departments: Lowell Volunteer Fire Department., Lake Dale Volunteer Fire Department and Shelby Fire Department. The cost to run the fire departments has increased due to an increase in insurance, fuel, and equipment.

Amount: \$80,000
Applied to Debt: 0
Payment: \$ 85,658.38

Emergency Loan Calculations:	
January 1 st current year cash balance:	\$80.01
Current year Certified levy:	\$155,329.10
Estimated Current year Revenue:	\$14,005.54
Total:	\$169,414.65
Less encumbered appropriations:	\$ 0
Less current years estimated expenses:	\$250,000.00
Funds remaining	\$(-80,585.35)
Advertised Budget	\$209,000.00
Adopted Budget	\$209,000.00
DLGF Certified Appropriations:	Not Available

Publications & Notices:	
Notice of Hearing to incur debt:	02/26/2008
Date of hearing:	03/17/2008

Resolution to incur debt:	03/17/2008
Notice of Determination	03/27/2008
Certification of no Remonstrance:	04/29/2008

Present for the hearing: Traci Poston, Bookkeeper; and Alice F. Dahl, Trustee.

Comments: Ms. Traci Poston began and stated that they are trying to get approval for a loan for their firefighting fund. They have come up short on their contracts and insurance for the three fire departments they contract with, though they do not know by exactly how much because they do not have approvals on their budget yet for this year. She said that right now, their max levy is roughly \$164,000, but the contracts and insurance are \$188,000 at the minimum. She said this has been ongoing for the past four years; their max levy was dropped in 2003 because at that point they were not using all of it. Their assessed values have gone up every year, so this levy is creating problems that keep compounding. She said their intent is to borrow for the three years in order to get their levy increased again; that is why they are here today.

Mr. Stafford wanted to clarify that this problem is not being generated by the escalating cost of contracts they have; it's that their levy was reduced because in that given year they were using levy plus cash balance. Ms. Poston agreed. She said they had cash flow at the time which is slowly dwindling away because they aren't getting the taxes in time. She said some of their costs are increasing though because they do own and maintain a fire truck through the Lowell Fire Department. She said the costs of maintaining the truck as well as the fuel costs are going up. She summarized that all of these factors are contributing to this equation.

Mr. Christian wanted to confirm that this loan is for \$80,000 for one year with two installments. Ms. Poston said that was correct. He then wanted to confirm that they have two bank quotes for 4.99%. Ms. Poston said that was correct.

Mr. Jones stated that he is not sure if the Board can even act on this because of the changes in HEA 1001. The Legislature added conditions for a township to qualify for a fire emergency loan; there is stiffer criteria. Mr. Jones asked if they are familiar with this and if it was addressed by their Township Association. Ms. Poston said they did look at that because of their earlier conversation with Mr. McLean, but they do not fully understand HEA 1001. She said that is why they still chose to come here today; they want to know one way or the other if they qualify for the loan. She said they would prefer to get approval here, and then if something changes they could see what they could do under 1001. Mr. Jones said they may have to go back to their Township Board and address the other issues that are now recommended under the code. He said there are six or seven, but they can all be done locally; they wouldn't have to come back to this Board. Ms. Poston wanted to clarify then that when 1001 says they must get approval from their legislative body, that means their Township Board. Mr. Jones said that is correct. Ms. Poston asked if they will still have an opportunity to get their max levy increased; that is their main concern here because these costs aren't going to go down. Mr. Jones said it doesn't address max levies, it just gives the authority to go out and get a loan. Ms. Poston said what they are wanting to do is borrow for the next three years because they need to get that levy back up; the contracts aren't going to go down and the AV is going to continue to increase. Mr. Jones said he believes that appeal is no longer available. Ms. Poston asked what avenues they have to increase their

max levy because they do not want to keep borrowing. Mr. Jones said he does not know if there is anything in 1001 that allows a unit to make a permanent adjustment to their levy. Mr. Giffin commented that there is an obligation by local units and legal counsel to figure all of this out. He added that he wishes the DLGF could help educate. Mr. Jones said that everyone is struggling right now with this new law. Mr. McLean stated that there is a wealth of information on the web for people to go and research. He added that in this particular case, they filled out a form for an \$80,000 emergency fire loan. They did not advise the DLGF that the key consideration here was a levy increase or the DLGF might have been able to advise them of changes when they spoke previously. Mr. Christian stated that they are not here today for a levy issue; they are here for an emergency fire loan. Ms. Poston then referred to the Excessive Levy Appeal Memo that was revised in January of 2008, which says a township can borrow for three consecutive years in order to appeal for a permanent increase to the maximum levy. Mr. McLean said that form has been revised since they filled it out back in May. Mr. Christian told Ms. Poston that unfortunately the rules have changed underneath her. Mr. Stafford asked Mr. Jones if he is sure that the Board can't do this because he said he is inclined to make a motion so the Commissioner will inform them whether they have to do this locally. He said that way they will not have to come back here to this Board. If the Board says no to this and somehow it turns out that this could have come through here then they will have to start all over. Ms. Alice Dahl, Trustee, said that is why they chose to come down here.

Motion: Mr. Stafford motioned to recommend approval of a loan not to exceed \$80,000 to be paid back in 2009. He recognizes that this may or may not be a permissible recommendation under the new statute. Ms. Decker seconded and the motioned carried by a vote of 5-0-1, with Mr. Jones abstaining from the vote.

Additional Comments: Ms. Dahl asked under 1001, if their Township Board approves this, would it go in debt service just as if it were approved by the Board. Mr. Jones said they would be allowed a debt service levy.

Gary Sanitary District, Lake County; Excessive Levy Appeal: The Unit is requesting approval for the excessive levy pursuant to IC 6-1.1-18.5-3 due to a shortfall in property tax collections from erroneous assessed values. The excessive levy appeal is being filed pursuant to the extension granted under HEA 1125.

Present for the hearing: Vern Webbs, Deputy Director; and Damon Tsouklis, Financial Advisor from Cender & Co.

Comments: Mr. Chuck McLean started off by bringing to the Board's attention some important information regarding all four of the Gary units that were present for excessive levy appeals. He said that the City of Gary did not advertise properly; they only advertised for \$550,000 and under the statute, that is all they can get. In regards to the Gary Sanitary District, the copy of the publication that was sent in was illegible and inconclusive. The Gary International Airport Authority did not advertise anything for a levy appeal; the excess appeal column was left blank so that is viewed as not being advertised. The photocopy of the advertisement for the Gary Storm Water Management District was also illegible and inconclusive. Mr. McLean said he wanted to

bring this to everybody's attention upfront because with these situations of improper advertising, he sees no reason to go forward on at least two of the units. Mr. Christian asked if the two units could provide better copies, and Mr. Damon Tsouklis, financial advisor for all four Gary units, said yes. He then stated that he would first like to make some comments. He said that House Bill 1125 added language for a unit to appeal for an excess levy by May 1 due to a shortfall in property tax collections in 2007. He said they didn't get their tax bill until March of 2008 so when they prepared their 2008 budget, they did not know if there would be a shortfall amount. They submitted the forms for all the Gary units that wished to apply for a shortfall. He said they advertised high in their budget, so there is room in the advertisement and in their budget to cover the shortfall, even though they did not place it in the right column. Mr. Christian said that in one instance, they only advertised for \$550,000. Mr. McLean said that was for the City of Gary.

Mr. Christian said they will now discuss the Gary Sanitary District.

Mr. Christian asked again if they have a proper copy of their advertisement. Mr. Tsouklis said yes and handed Mr. McLean a copy. He said there is a zero in the excess levy column because at the time they didn't know what the amount would be because property tax bills were late. He said they took advantage of the added language to House Bill 1125. Mr. Christian said he may need some legal advice on this, but he thinks it still has to be properly advertised. Mr. McLean said that what Mr. Tsouklis is saying is that it is advertised because it is in the budget; it is just not in the right column. Mr. McLean said the Board can still hear them out and make a decision.

Mr. Tsouklis stated that the certified levy for the Sanitary District was \$8.9 million and the collections were only \$7.7 million; this caused a \$1.2 million shortfall. Once the errors and refunds were added up for Lake County, the errors totaled \$8.1 million for the five different taxing units for the Sanitary District, and the refunds totaled \$3.2 million, for a total of \$11.3 million. He said the unit's portion of that is \$526,000, so the District wishes to appeal for \$530,000. Mr. Stafford asked if their share is only \$526,000 why they are asking for \$530,000. Mr. Tsouklis said they just rounded the number up.

Mr. Jones asked about the Form 22 which shows a circuit breaker of \$5,743. He said that would have to be reduced for a shortfall appeal because shortfalls due to the circuit breaker cannot be recovered. Mr. Jones said this gives a new total of \$521,144. Mr. Stafford asked Mr. Jones if he is convinced that that number is a correct calculation. Mr. Jones said that number is based on the data that is before him; he has not gone through and verified it yet. He said the Form 22 comes from the Lake County Auditor's office; that is where they verify and certify the circuit breaker and the actual distribution of property taxes to the districts.

Motion: Mr. Stafford motioned to recommend approval of a shortfall appeal due to erroneous assessed valuations not to exceed \$521,144. Mr. Giffin seconded the motion. Mr. Stafford added that this is all subject to a legal interpretation of whether or not the advertisement and the manner in which it was done was consistent with the statute. Mr. Christian said he is not sure whether that issue even affects this Board. Mr. McLean said he still does not have an adequate copy of what they advertised; the copy that Mr. Tsouklis gave him earlier during the meeting is in the same sort of illegible condition. Mr. Tsouklis asked if they would like a better copy sent to the

DLGF. Mr. Christian said yes, and asked that that be made part of the motion. Mr. Stafford said that would be fine.

Mr. Christian then called for a vote, and the motion carried by a vote of 5-1, with Mr. Jones opposed.

City of Gary, Lake County; Excessive Levy Appeal: The Unit is requesting approval for the excessive levy pursuant to IC 6-1.1-18.5-3 due to a shortfall in property tax collections from erroneous assessed values. The excessive levy appeal is being filed pursuant to the extension granted under HEA 1125.

Present for the hearing: Celita Green, Controller; Arlene Colvin, Chief of Staff; and Damon Tsouklis, Financial Advisor from Cender & Co.

Comments: Mr. Christian began and stated that they first need to address the issue of the advertisement. He asked the unit how much they are asking for. Ms. Celita Green said \$5,252,557, and she added that they fall in the same category as the Gary Sanitary District. When they normally advertise for a shortfall it is after they receive their collections so they know what they need. For instance, last year where they have \$553,000, that was from the shortfall for 2006. So in 2007, as they prepared their 2008 budget, they knew what their last collection received was so they could file their shortfall. So for their 2009 budget, they will be filing for the shortfall in 2007. Ms. Green said they estimated that House Bill 1125 was placed here so that those people who can take advantage of the shortfall due to reassessing would be able to do so with certain other provisions. She said they weren't certain what those provisions would be, but they thought they would take into consideration the advertisement. They did advertise higher, but did not cover the entire amount of the shortfall; they will still be short about \$3 million. They saw it as a necessity this time because when the Lake County Council did not pass a 1% option income tax, they had to revert back, according to the DLGF, to the 2007 budget; they had to cut \$2 million. She said they did not know until March that they would be short in their collections. Even if they are approved for the \$5 million, they still have to find a way to cut \$3 million. She added that last year they cut \$11 million, so they are almost at the point where they cannot find additional cuts. She said if they were not able to receive this shortfall appeal, it would hurt them extremely.

Mr. Christian said they are still at the same issue of what was advertised for; they only advertised for \$553,000. Ms. Green said that is right, but the \$553,000 they advertised for was for 2006. In 2007, when they prepared the budget for 2008, it was based on their last collections. The last collections they have received as of 2007 was in 2006. She said they had no way of knowing last year what their shortfall would be for 2007. Mr. Christian then asked about the advertisement they sent in as part of the supporting documentation for this appeal. Ms. Green said that advertisement was for pension. Mr. Christian wanted to clarify that the \$553,000 they advertised was for pension, and Ms. Green said yes.

Mr. Jones asked if they are filing this appeal for their 2009 levy. Ms. Green said this is based on their 2007 collections. Mr. Jones asked again if they are filing it for their 2009 levy. Ms. Green said it is for their 2008 levy. Mr. Jones said it wasn't advertised with their 2008 budget and levy,

and Ms. Green said that is correct because they do not know what their 2007 collections will be. Mr. Tsouklis said that tax bills came out late again, and Gary does have room in their budget because they advertised high by \$5.2 million, though they did not put it in the proper column.

Mr. Jones then asked if there are any provisions in HB 1125 that excludes Lake County from the provisions of 6-1.1-17-3 Section A; it is specific where it is required that amounts of excessive levy appeals be advertised. Ms. Green said no, but asked why the provision was made. She said that normally, when a unit files for an excessive levy, they already have received their property tax distributions and they know what their shortfall is. She said that this year they do not know what 2008 is, so they may not put a shortfall in their budget for 2008 because they haven't received those collections. They do not know what 2007 is, but had it been sent to them in a timely manner, they would have known by December 31; they found out in March. When they made this special provision, she thought there were special circumstances that also provided that they could advertise as long as they had enough room in their advertisement. Mr. Jones said that is why he asked about the Bill.

Mr. Christian stated that he is going to ask Mr. Stafford to make a motion for all of the Gary units here today. Mr. Stafford said they have a couple of legal issues here; the advertisement, the interpretation of the recently adopted legislation, and the actual shortfall calculation. He said he is therefore going to make a recommendation for all four Gary units, not just the City of Gary. He said this will mean rescinding the prior motion for the Sanitary District.

Motion: Mr. Stafford motioned to send all four Gary units, not just the City of Gary, to the Commissioner with no recommendation. This means resending the prior motion for the Sanitary District. He said he believes there is no substance here for them to make a recommendation; it is legal and calculation in nature. Ms. Decker seconded the motion.

Ms. Decker asked if it would be advisable for them to take the last three units and then go back and deal with what they did on the first (the Sanitary District). Mr. Stafford said probably, and that they could even let the first motion stand because it doesn't matter. Mr. Christian said they basically said the same thing. Mr. Stafford agreed and said he would like to amend his motion. Mr. Christian said this motion would then apply only to the City of Gary, the Gary Storm Water Management District, and the Gary/Chicago International Airport Authority.

Mr. Christian called the motion to a vote, and it carried by a vote of 6-0.

Additional Comments: Ms. Arlene Colvin, Chief of Staff, asked how long it takes for the Commissioner to act on the appeal once it is forwarded. Mr. McLean said with their case, they will act with as much haste as is possible.

Gary/Chicago International Airport Authority, Lake County; Excessive Levy Appeal: The Unit is requesting approval for the excessive levy pursuant to IC 6-1.1-18.5-3 due to a shortfall in property tax collections from erroneous assessed values. The excessive levy appeal is being filed pursuant to the extension granted under HEA 1125.

Present for the hearing: Nicole Thorn, Finance Manager; and Damon Tsouklis, Financial Advisor from Cender & Co.

Comments: After making and passing a motion pertaining to the Gary/Chicago International Airport Authority during the discussion for the City of Gary, Mr. Christian asked if anyone from the unit would like to speak. Ms. Nicole Thorn said that given the timeframe that units are required to prepare their budgets, publish them in the newspaper, and submit them to the State, there was no way they could know they were going to be short. Now, nine months later, they received their property tax collections for 2007. She said she is not sure how 2008 will play out; they may be in the same situation again as they are now in the process of working on budgets for 2009, which will shortly be published in the newspapers, reviewed by their Boards, and sent down to the State. She said they did advertise high, and given the timeframe, they couldn't have done anything differently. Mr. Christian said that he hopes all of the Gary units understand that things need to be ironed out by the Legal Department, and then the calculations can be worked on by the DLGF. Mr. Tsouklis said they are going to be in the same situation this year, so they are going to put a fictitious number in the excess levy column of their publications so that next time it can be approved.

Ms. Thorn then asked if there is an alternative solution; what could they have done differently. Ms. Decker said they will find that out once the DLGF has a chance to review it.

Mr. Stafford commented that all of this makes the legal notice basically meaningless to the public, but it protects the unit. Mr. Christian said it eliminates the gray area and the hurdles they have come upon here.

Motion: The motion pertaining to this unit was made during the discussion for the City of Gary. See above.

Gary Storm Water Management District, Lake County; Excessive Levy

Appeal: The Unit is requesting approval for the excessive levy pursuant to IC 6-1.1-18.5-3 due to a shortfall in property tax collections from erroneous assessed values. The excessive levy appeal is being filed pursuant to the extension granted under HEA 1125.

Present for the hearing: Damon Tsouklis, Financial Advisor for Cender & Co.

Comments: There were no comments made by any members of this unit.

Motion: The motion pertaining to this unit was made during the discussion for the City of Gary. See above.